Oil Investors' Journal

THE TRUTH AND NOTHING BUT THE TRUTH CONCERNING THE BEAUMONT FIELD AND OTHER SOUTHWESTERN OIL FIELDS.

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NO. 8 ONE DOLLAR A YEAR

DULL IN TEXAS FIELDS.

Land Litigation and Low Price of Oil Combine to Make Things Quiet at Sour Lake—Wells Being Operated With Compressed Air—An Improvement in Price Confidently Expected. One Advance Already Posted—Production 60,000 to 65,000 Barrels Daily, of Which One Fourth is Going Into Storage—Shipments From Port Arthur and Sabine Pass—Standard Oil Company's Whale-back Tanker City of Everett Damaged by Fire.

Title litigation and the low price of oil have about killed the traffic in Sour Lake lands. Until some of the suits are decided and oil advances to a fair price the present dullness is bound to prevail. Drilling operations also are feeling the effect of the combination of causes that have put a quietus on the land business. Many rigs that were brought into Sour Lake have never been put to work.

Conservative estimates of the production of the field make it 60,000 to 65,000 per day, one fourth of which is going into storage. Rail shipments will average at this time about 22,000 barrels per day, of which the Southern Pacific Company handles for its own use 16,000 barrels, the Santa Fe Railroad (via the Southern Pacific), about 1,200 and the Higgins Oil & Fuel Company 1,000 barrels. The balance is divided between the Waters-Pierce Oil Company and miscellaneous shippers, of whom there are few. The Texas Company and Guffey Company pipe lines are moving about 25,000 barrels a day to Beaumont.

The price of oil on cars at Sour Lake varies from 45 to 55 cents, with some sales reported as high as 60 cents, and the price seems to be getting firmer. Twenty-five cents is being paid for oil at the wells. The Texas Company on September 12 posted a price of 23 cents for Sour Lake oil and 38 cents for Beaumont oil in its lines. This is an advance of 8 cents on both Sour Lake and Beaumont prices as last posted by the Texas Company on August 1.

Compressed Air Used in Sour Lake Wells.

Many of the bigger wells at Sour Lake have quit flowing of their own accord and are now being operated with compressed air. By this method as much as 7,000 or 8,000 barels a day is produced from a well which, when it flowed, gave up twice this amount, or more. The question of how long these wells will continue to produce with the aid of air has yet to be determined. Undoubtedly when it becomes necessary to resort to pumping as the general means of producing oil, the price will advance rapidly, and the history of the Beapmont field may be repeated.

Field Now Undergoing a Change.

The W. E. Brice well, located in the Shoestring district about 1000 feet north of the Texas Company's property, is reported to be the only well on the north side that is flowing. At last accounts—the evening of September 14—it was doing 2,000 barrels a day. The stiffening of the market is due entirely to the fact that the wells in the Shoestring district and Wirt Davis tracts have, as a rule, quit flowing, but the use of air will restore the production temporarily, and this may cause a decline in price until the pumping stage is reached. The Security Oil Company has begun laying its eight-inch line to Beaumont, and in four weeks this will probably be in operation. The completion and operation of this line will have its influence in strengthening the oil market.

Small Spindletop Producers are Storing Their Oil.

Conditions on Spindletop are very quiet, but the hill is producing from 15,000 to 17,000 barrels a day, of which the J. M. Guffey Company is getting considerably more than one-half. The small producers are not selling very freely, preferring to store their oil for better prices. The Santa Fe is taking about 1,500 barrels a day for its own account, and the Kansas City Southern railroad about 1,000 barrels a day for its own use. The commercial shipments are very light.

Shipments of Beaumont and Sour Lake Oil by Water.

Shipments of Beaumont and Sour Lake crude and refined oil from Port Arthur during the fifteen days from August 29 to September 12 amounted to 216,362 barrels. In the same period the shipments from Sabine Pass were 90,828 barrels of crude and gas oil, 82,142 barrels of which went to New York by the steamer Harry Luckenbach and Standard Oil Company barges No. 92 and No. 93. The remaining 8,686 barrels shipped from Sabine Pass went to Morgan City, La., in the Higgins Oil & Fuel Company's barges Gusher and Spindletop.

The J. M. Guffey Company's shipments from Port Arthur reached a total of 122,934 barrels for the fifteen days. All excepting 225 barrels of lubicating oil and 16,758 barrels of crude which was shipped on the Conneaut to New Orleans, went to New York. The Ligonier took 500 barrels of lubricating oil and 21,153 barrels of crude on August 31; on September 3 the Catania, 7,241 barrels of solar oil, 8,608 barrels of refined oils and 600 barrels of lubricating oil, all to New York.

The Sun Company's tanker, Roma, was loaded by the National Oil & Pipe Line Company at Port Arthur on September 8, with 35,714 barrels of crude for Philadelphia.

Fire on Standard Oil Company's Whaleback Tanker.

The Texas Company loaded three of the Standard Oil Company's tankers at Port Arthur—the Julia Luckeenbach with 26,929 barrels of crude on September 3; the Atlas on September 8, with 17,214 barrels of crude, and the City of Everett, a whale back tanker, on September 7. While the last named vessel was loading at the Texas Company's dock on the night of the 7th inst. a spark caused by an electric light wire coming in contact with the steel plates of the boat set fire to the gas generated by the oil, resulting in an explosion and fire, which damaged the steamer to the extent of about $50,000. Only 3,000 barrels of oil were burned; and the remainder of the cargo was pumped back into the Texas tanks. The fire burned thirty-six hours and was subdued by steam lines from the Sun tanker Roma, which was at the National dock, nearby. The Texas Company's dock was destroy-

ed by the flames, and it is understood that the National Oil & Pipe Line Company will do the Texas Company's loading at Port Arthur until the damage can be repaired. The Texas Company is prepared to load at Sabine Pass, through the Lone Star & Crescent pipe line, and doubteless these facilities will be employed where it is practicable.

On the 13th inst. the Standard tanker, Col. E. L. Drake, came into Port Arthur to be loaded by the Texas Company. It is stated that the Guffey Company will load this boat.

Another Standard Oil Steamer Reported Lost.

Press dispatches report the loss of a tank steamer and two barges off the Florida coast in a recent storm. It is believed that the steamer was the Standard tanker, Maverick, which was coming down from New York with barges to load Texas oil for the return trip. The Standard barge No. 91 which was reported ashore in Little Egg Harbor, N. J., on August 28, has been taken off and towed to New York. Most of the cargo, consisting of 21,000 barrels of crude oil, was saved.

The City of Everett suffered no damage to its engines in the fire of September 7, and will be towed to New York for repairs.

IN THE JENNINGS FIELD.

The Morse Oil Company has purchased an acre of the Clemont tract at Jennings from the Jennings-Heywood Oil Syndicate for $10,000 cash. The land is in section 46. Jennings producers are storing a good part of their oil for better prices.

An earthen reservoir has been constructed by the Home Oil Company. A proposition is being considered to drill either the Swift No. 2 or the Hurlburt No. 1 in section 46 to a greater depth. Both wells are dry, to date. It is believed that by going deeper the oil strata will be encountered. The present depth of the wells is 2000 feet.

O. W. Heywood and Alba Heywood have been in Beaumont recently, arranging for additional tankage for the Jennings Oil Company.

NOTES.

Preparations for setting the screen in the Chaddock well at Anse la Butte field were completed several days ago. A telegram from Scott Heywood states that the showing of oil is equal to that found in the Heywood Corporation wells. The No. 3 well of this corporation is down five hundred feet.

CITIZENS NATIONAL BANK.

Comptroller of the Currency William Ridgely has instructed Receiver Joseph M. Logan of the failed Citizens National Bank of Beaumont to levy an assessment of one hundred per cent on the capital stock of the bank, $100,000, the amount realized to be used in discharging the bank's indebtedness. Inasmuch as President Rod Oliver held, in his own name and the names of persons associated with him in business, about half of the stock, it does not seem probable that anything will be realized at this time from an assessment on his stock.

Other shareholders, excepting the directors and certain ones who have close business relations with the directors, are disposed to fight the assessment on the ground that the directors are liable for the full loss, on account of negligence. It looks now as if not more than $20,000 will be paid voluntarily.

Affairs of the bank have remained in a state of suspended animation since the failure, but developments are expected within the next month which may put new life into the corpse.

Thorough Investigation to Be Made.

Comptroller Ridgely has decided upon a thorough and searching investigation into the bank's management, from the start. He has instructed the department attorney, in charge of the failed division, Mr. F. F. Oldham, to proceed to Beaumont for the purpose of examining into the bank's condition, and pending Mr. Oldham's investigation it is probable that no action will be taken, either toward the appointment of a permanent receiver or the liquidation of the bank without the services of a receiver. Meanwhile Examiner Logan remains in charge. Mr. Oldham is expected in Beaumont on the 16th or 17th inst. Since President Oliver is under criminal charges it is probable that Mr. Oldham will be followed by a national expert, of the class of Moxie or Johnson, who will go through the bank's books, papers and records, and collect evidence. Moxie and Johnson are the men who worked up the evidence in the case of Captain Oberlin M. Carter, who was convicted of defrauding the government on contract work, and who is now serving time in Leavenworth prison.

From Beaumont, Mr. Oldham will go to Groesbeck, to look into the affairs of the Groesbeck National Bank, an institution whose failure was coincident with that of the Citizens National of Beaumont and the other private banks in Texas, in all of which Oliver held the controlling interest.

Government Intends to Administer Oliver's Affairs.

It is the apparent intention of the government to assume charge of Oliver's affairs through the bankruptcy laws, and to administer his assets so that the greatest benefit may be derived by his creditors, who number into the hundreds.

According to Oliver's own statement, he has had a hard time keeping his head above water for five years—in other words, he has been practically broke for that length of time and has been operating on other people's money. While he was known to be a heavy borrower and his banks bore the same reputation, under his administration, he managed to deceive his business associates into the belief that he was fully responsible. However, his heavy borrowing did not please certain of his associates in the Citizens National Bank, this being given by one of the directors as his reason for selling his stock to Oliver in February.

Directors' First Proposition.

Upon the return of E. J. Marshall, vice-president and a director, from Europe, on the 5th inst., the directors went into conference, and on the 10th inst., the following statement, signed by J. S. Cullinan, C. T. Heisig, E. J. Marshall and W. T. Campbell, was given to the press:

"The directors, after a careful and searching examination into the condition of the Citizens National Bank of Beaumont, have satisfied themselves that the assets of that institution, which they believe to be good and convertible, economically administered, together with the amount that is immediately available from an assessment against the stockholders, will leave a shortage of $30,000 of the amount necessary to pay the bank's creditors in full. Five responsible persons, identified with the bank, have signified their willingness to furnish the sum of $30,000, or such proportion of that amount as may be required, provided the depositors and general creditors' claims for at least 90 per cent of the total claims against the bank are assigned to a committee composed of the parties who furnish the $30,000 guaranty fund, to the end that the affairs of the bank may be taken out of the hands of the receiver and administered under the supervision and through the agency of that committee, for the benefit of the creditors. A proposition is now being prepared to submit to the depositors of the bank."

No Action Has Been Taken.

The proposition to the creditors referred to in the foregoing statement

has not been submitted. In fact, things are at a standstill pending Mr. Oldham's coming. The directors forwarded a copy of the proposition to the comptroller, with a supplementary statement. It does not seem likely that the comptroller will favor the proposition, as originally outlined.

The directors have indicated that they are ready to make modifications, and it would seem that the creditors of the bank will demand these, although no meeting has been held, either by depositors or general creditors.

Neither have the stockholders had a meeting. Receiver Logan's estimate of the amount necessary to make up the shortage differs somewhat from that of the directors, who figure that $30,000 will cover it.

Mr. Logan's estimate of good assets is $305,000, while the directors figure $335,000. As the bank owes $405,000, there remains from $70,000 to $100,000 to be made up. The directors figure that $30,000 can be raised from the assessment of the bank's stock.

It seems certain that the payment of the assessment will be resisted by certain stockholders on the ground that the directors are liable for the whole loss, at least two of them having known as far back as July 11 that Oliver and his banks owed the Citizens National $175,000.

Ex-Governor Hogg's Position.

It is stated that Ex-Governor Hogg, who is a director, refused to participate in the guarantee fund when he learned that two other directors knew of Oliver's indebtedness in July and failed to notify him, or to call a meeting of the board. The guarantors are J. S. Cullinan, W. T. Campbell, E. J. Marshall, W. B. Sharp and R. E. Brooks. The last named sold his stock in July and thus disqualified himself as a director. Sharp was a director up to last January, but is not now.

How It Might Have Been Averted.

It seems reasonable to assume that if the directors who had knowledge of Oliver's indebtedness to the bank in July had called a meeting of the board and had required Oliver to either take out his paper or give security to cover it, the failure could have been averted. If Oliver had no security to give it would have been sufficient evidence of his financial condition. In view of the fact that the comptroller himself called attention to Oliver's indebtedness in April, and that the directors threshed the matter over at that time, it appears that the thing was passed up entirely, so far as any concerted action of the board is concerned. With these facts in mind, the liability of the directors seems to be apparent, and whether they liquidate the bank or whether it is administered by a receiver it is probable that they will stand the loss.

Propose to Pay Savings Depositors First.

In the plan proposed by the directors they guarantee $30,000. It is the intention to use this money to pay off the savings depositors. The other creditors, representing 90 per cent of the bank's debts, are expected to assign their claims to the committee named by the directors, taking receipts in full for their claims. Without these receipts the bank cannot be liquidated, as the law requires the payment of all claims in full in the event of liquidation. There is little doubt that Mr. Marshall could obtain the highest possible value from the bank's assets, with his knowledge of their character and worth, but at the same time the creditors do not seem to be disposed to favor the plan put forth by the directors unless some sort of guarantee is furnished.

Ex-Cashier Murphy's Statement.

W. L. Murphy, of Mexia, who was cashier of the bank when it was organized and served five months in that capacity, desires to disattach himself from the present condition of affairs as revealed in the last issue of this paper. Pains were taken in the article which appeared in these columns on September 1 to show that Mr. Murphy had no active connection with the bank after October, 1901, when he was taken sick and was compelled to go to his home in Mexia. In a letter to the editor of this paper Mr. Murphy states that he never overdrew one cent in the bank, but on the contrary started in with money to his credit and quit the same way. Further, Mr. Murphy says:

"As I was cashier of the bank when organized and an officer of same I wish to state that so far as I was concerned I was no speculator, and did not have one cent's worth of interest with the Hogg-Swayne people. I went to Beaumont to start a legitimate bank, and to do a legitimate business, and as long as I was connected with the institution (which was only five months), I did do a legitimate banking business, and I am safe in saying that there was not over $500 worth of doubtful paper in the bank when I severed my connection with it on account of my physical condition.

"I thank you for stating in your write up that I have a clean record in the bank. However, I would have been glad had you have taken the pains to except me from 'the officers who speculated,' etc., when writing up your history of the bank. The leading business men of Beaumont know just what position I occupied at Beaumont, but outsiders do not, and in reading your article they might be inclined to bring me into the muddle also, when you know, as well as I do, that I am as clear of it as you are.

"I merely call your attention to the matter, and if you think it advisable and desire to do so, you might make matters a little clearer to the public, so far as my connections with the bank and my disconnection with the Hogg-Swayne people, and speculations generally, were concerned.

"I went to Beaumont to do a banking business. I came near losing my life down there, and was glad to get out without losing it, and with as much money as I took, but no more.

"I want my reputation and name to remain unsullied. Without those, money and life are not worth the having."

Mr. Murphy's statements are all correct and we regret that we did not make his position clearer in the first place.

In the story of the Citizens Bank appearing in the last issue of the Oil Investors' Journal mention was made of a teller who got into trouble through poker playing. This had no reference to any one connected with the bank during the last eight months.

There has been no great excitement over the Jennings field, no companies with great capitalization, and the wells are not being drilled on every inch of available space, as on some portions of Spindletop. Real estate is changing hands to some extent, the outright purchase plan, instead of the leasing system, as in Northern oil fields, having apparently secured a permanent hold in the South, but the highest price recorded is $25,000 an acre in the proven field. Land adjoining the proven ground has reached the limit of $10,000 an acre. There has been no sale of producing wells.

Operators in this field are mostly from Pennsylvania, West Virginia, Ohio, Indiana and California, and are oil men of experience. Crowley people are largely interested in the Jennings, or Mamou fields, as they are called sometimes, owning five of the producing wells there. Companies have also been organized to drill in several directions around Crowley. The Crowley Oil & Mineral Company, very strongly organized, proposes to build a pipe line from the fields to Abbot, thirteen miles, and a local com-

pany is being organized to complete the line from there to Crowley. The company is now building a large storage tank.—Albert Phenis in Manufacturers' Record.

FORT WORTH TELEGRAM'S SALT WATER FAKE.

Newspapers which featured that Jack-assy story from Fort Worth, Texas, on September 6 and 7, to the effect that the Standard Oil Company had pumped salt water from the Gulf of Mexico into the Beaumont oil wells, for the purpose of ruining them and then buying them in dirt cheap, are at the very top of the fool-killer's list. The editor of the Fort Worth Telegram—the first paper to publish the fake—needs brains about as badly as the lunatic who spent his life trying to convince his fellow inmates that the north pole had caught fire from an over-heated ice-berg.

A newspaper is never justified in printing as original matter, or reproducing from some other paper, a story making criminal charges against an individual or a corporation—even though it be the greatest trust in the world—without first employing every reasonable means to ascertain the truth or falsity of the charges contained in the report. Aside from a newspaper's liability in such matters, good judgment and ordinary care in the handling of its news matter would call for an investigation and additional information from several sources before allowing a report such as that sent out from Fort Worth, to appear in its columns.

A telegram sent to the correspondent of the Telegram at Beaumont asking him to confirm the story as given out at Fort Worth would have been the means of nailing the lie before it saw daylight. But editors have queer ideas of news. Sometimes they get hold of a rich fake and, knowing that investigation will kill it, they print it one day and investigate it the next. This gives them two chapters—out of nothing—first the lie, then the denial.

In the east the salt water fake was displayed by the metropolitan dailies on their first pages, with head lines a foot deep, and some of them followed up their foolery by publishing editorials next day, taking it for granted that the story was well-founded, and damning the Standard Oil Company for its latest crime. A wire to the editor of either of the Beaumont papers would have gotten the truth—but evidently the papers thought it too good a story to spoil by investigation.

For the benefit of those who may not have seen the Fort Worth fake, we herewith reproduce it, in substance:

The most startling story that has come out of the Beaumont oil fields is given out here today, on the information of one of the most prominent men of Fort Worth, who returned from Beaumont yesterday. This man declares that the Standard Oil Company has perpetrated a most gigantic swindle in the Beaumont fields.

The independent oil companies of Beaumont are the victims, leading men of the wrecked or injured companies, who determined to investigate, having in two days raised $27,000 with which to pnsh the work.

It is declared that numerous oil wells, apparently ruined by salt water, were put in their bad condition by the Standard Company's conspirators. As fast as a company went to the wall its property was bought in by the Standard.

The Standard Oil Company long ago built a pipe line from Beaumont to the Gulf of Mexico, with a pumping station at Beaumont and another at the Gulf. Suddenly many wels of independent companies had salt water in them. One day a pumping station got out of order and oil pumping had to be suspended.

Suddenly wells that had been giving out fully one-half salt water began flowing nothing but oil, good fuel oil, it is declared. Investigators secretly plugged up the line at the Beaumont end, detoured several miles into the country, dug into the ground over the pipe line, made a tapping into the line, and salt water gushed into the air nearly 100 feet. It is claimed that the pressure was from the gulf pumping station, and that salt water was being pumped to Beaumont.

A Second Installment of Rot.

On September 13 the Telegram published a supplementary article in a lame attempt to explain why there ought to be some foundation for the fake. This second installment was worse rot than the first. In it there was a good measure of self congratulation over the fact that other newspapers throughout the country which are edited with calves' brains had printed the story. A Mr. Hutchings—who, by the way, departed for St. Louis immediately after being interviewed by the Telegram reporter—said he had been to Beaumont and that the salt water "outrage" was the talk of the town, that detectives were at work on the matter and—O, well, here's the whole bunch of slippery-sloppery slush:

In last Sunday's Telegram was published an article concerning salt waer in the Beaumont oil wells. The story simply reported the statements of a Fort Worth man, who charged that the Standard Oil Company was responsible for that salt water which appeared in certain of the wells, and that the salt water was introduced through the pipe line from the gulf by simply reversing the pumps—in other words by pumping water from the gulf to the wells instead of pumping oil from the wells to the gulf.

The article appeared exclusively in the Telegram and the statements of the Fort Worth man were given simply for what they were worth. It was a grave charge to lodge against the Standard Oil Company, but even if true the swindle would not compare with some other stupendous shady operations of that company. The purpose of the company in thus leading the Beaumont independent oil well owners to believe their wells were valueless, was to reduce the price of them that the agents of the Standard Oil Company could buy them in at a cheap price.

Widespread Publicity.

On the two days following the publication in the Telegram, the story appeared in every newspaper of importance in the United States and was the topic of wide comment. McCutcheon, the famous Chicago cartoonist drew a picture for his paper which represented his idea of the Beaumont situation. The cartoon represented Rockefeller weeping for humanity, his tears splashing into a large funnel which led to an oil well. The idea was that it was not real salt water in the wells, but Rockefeller's tears for humanity that had percolated into the wells. Gushers were spouting tears in all directions and houses were floating away in lachrymose.

Strong statements have been issued from New York, giving denial to the story, but strange to say, even the Beaumont papers reprinted the Telegram's article and announced that they proposed to investigate it.

What Hutchings Says.

There are many things which go to confirm the belief that there is more truth in the report than would be supposed at first glance. George C. Hutchings of Fort Worth, the representative here of a large fire department supply manufactory, before departing for St. Louis last night on a visit to his family, threw some additional light on the story.

"I was in Beaumont about ten days ago,' he said, "and while there I heard not one man, but half a dozen men, discussing the matter. It is accepted as a fact down there by those who have investigated the matter, and I was surprised that papers of that district were not first to get hold of the report.

"Before I left Beaumont detetives had been put to work investigating, and it was firmly believed that as a result of their investigations somebody would go to the penitentiary. It probably would be impossible to 'stick' the Standard Oil Company through any of its leading officers for complicity in such a swindle, because the company protects itself in many ingenious ways. Even now it is difficult to prove that it owns or even controls a well at Beaumont, where, as a matter of fact, it is well known that through certain people it does control the situaion.

Only in Certain Wells

"But regarding the salt water story, I may be able to give you a few facts. For instance, is it not strange that salt water should appear in some of the wells and not in all of them? It is perfectly well known that the oil at Beaumont comes from the large reservoir that supplies all the wells. Professor Hill, the government expert, suspected that something was wrong

when salt water first appeared in some of the wells, for he issued a bit of advice to the owners of the affected wells, advising them to hold on to their property. Here's an incident that first aroused suspicion: One well had been showing a large amount of salt water; one day the connecting rod between the pump beam and and sucker rod broke and pumpingstopped. A few minutes later the plunger blew out of the well which thereupon began to gush pure oil again. This loked so peculiar that an investigation was made which led to other peculiar facts being learned.

Imaginary Modus Operandi.

"It is peculiar that during all the salt water sensation one company, which to a 'dead moral certainty' is a Standard Oil Company tool, did not lose confidence in the value of the wells—even those that were flowing salt water. When a well showed salt water the owner usually was anxious to get it off his hands, or the company controlling it was anxious to dispose of it as quickly as possible. This agent of the oil monopoly, would make an offer for the well, the offer would be accepted and then the new owners would promptly quit pumping from it, cap it, and in fact, retire it from business. Well after well was disposed of in this manner, notwithstanding the advice of the government expert, who said that he was entirely unable to account for the presence of the salt water in the wells, and that its presence was an unnatural condition which he never encountered before.

"I have seen some statements to the effect that the introduction of salt water into the wells was impossible. It is not impossible, as everybody in Beaumont knows."

Beaumont Papers Exposed It.

In justice to the editors of the Beaumont papers it should be said that both treated the original story as a hoax, and since there has been an effort to defend the fake, both local papers have editorially exposed the absurdity of the tale.

It may be that the Telegram is preparing a third installment of its pipe dream about the Beaumont wells. If so, we suggest that the editor send a sane man down here before the next spasm is born. If the Telegram's man leaves his hop-pipe at home he will find that there was salt water in the Beaumont wells four months before the Standard had completed its pipe line to Sabine Pass; he will also find that salt water exists in every oil field in Southeast Texas and Southwest Louisiana, just as it does in the principal eastern fields, and in Russia. If the Telegram man can trace all this salt water to the Standard Oil Company he will certainly have a good story!

In conclusion it well enough for Texas newspapers to bear in mind that every fake of the character circulated by the Telegram is harmful to the State of Texas and especially to the oil interests of this section. Although they are lies, there are persons who believe them and every time a man believes that such a thing as that described in the salt water fake can happen in Texas, it keeps that man out of the State and prejudices him against it.

DOMESTIC SHIPMENTS FROM PORT ARTHUR, AUGUST 29 TO SEPT. 12, Inc.

Date	Rig	Name of Vessel	Destination	Grade of Oil	Quant'y in Barrels	Total for 16 Days
Aug. 31	S. S.	Ligonier	New York	Lub.	500	
" 31	"	Ligonier	"	Crude	21 153	
Sep. 2	"	Catania	"	Solar	7 241	
" 3	"	Catania	"	Refined	8 608	
" 3	"	Catania	"	Lub.	600	
" 3	"	Julia Luckenbach	"	Crude	28 929	
" 3	"	Northeastern	"	"	22 505	
" 4	Barge	Conneaut	New Orleans	Lub.	225	
" 4	"	Conneaut	New Orleans	Crude	16 758	
" 5	S. S.	Northwestern	New York	"	22 844	
" 8	"	Atlas	New York	"	17 214	
* " 8	"	City of Everett	New York	"	28 571	
" 8	"	Roma	Philadelphia	"	35 714	
" 8	Barge	Jas. G. Pendleton	New Orleans	"	7 500	216 362

Total Shipments from Port Arthur prior to Aug. 29 (barrels) 7 936 203

Grand Total to date (barrels) 8 152 565

No Foreign Shipments.

* Caught fire at dock and cargo unloaded. Will be towed to New York.

DOMESTIC SHIPMENTS FROM SABINE PASS, AUGUST 29 TO SEPT. 12, Inc.

Date	Rig	Name of Vessel	Destination	Grade of Oil	Quant'y in Barrels	Total for 16 Days
Aug. 29	Barge	Gusher	Morgan City	Crude	4 686	
Sept. 8	"	Spindletop	"	"	4 000	
" 8	"	S. O. Co. No. 93	New York	"	26 190	
" 8	"	S. O. Co. No. 92	"	"	30 952	
" 12	S. S.	Harry Luckenbach	"	"	25 000	90 828

Total Shipments from Sabine Pass prior to Aug. 29 (barrels) 2 119 201

Grand Total to Date (barrels) 2 210 029

No Foreign Shipments.

From Petroleum, London.

The fact is Spindle Top is not a second Baku—nay, it is not within measurable distance of being a rival of Baku. Baku is still the region of record spouters; its title to this position of pre-eminence is unassailable and cannot be challenged by the thoughtful student of oil field figures, and certainly not by the unbisased oil field workman. Many mis-statements are spread abroad by excited and misinformed people to the damage of the great oil field in the Caucasus.

Seeing that the subject of the physical properties of the Spindle Top oil have been discussed by Mr. Platonoff, no harm can be done by reproducing the following result of a physical and chemical analysis made by Professor James E. Denton. It is:

Specific gravity 0.92, or 22.02 degrees Baume.

Flash point 142 degrees F.

Boiling point 181 degrees F.

Cold test 6 degrees F.

Calorific value, per pound, by oxygen calorimeter 19060 B. T. U.

The physical properties of the petroleum have been determined by Dr. Redwood to be as follows:

Specific gravity at 60 degrees F., equal to 15.5 C. 0.922, or 21.97 degrees Baume.

Flash point (close test), 170 degrees F., or 76 degrees C.

Viscosity, by Redwood's standard, 188 secs. (for rape oil 100).

Viscometer at 70 degrees F., 50 c. c. 33.3 at 60 degrees F.

Cold test, fluid at 0 degrees F.

Carbonaceous residue on distillation to dryness, 4.40 per cent.

Sulphur, 1.33 per cent.

Calorific value (1 pound to degree C.), 10,771 calories.

Calorinc value (1 pound to degree F.), 19,388 B. T. U.

It would be unfair on our part to dwell in a critical way on the absurd statement that there is no ground for the assertion that Texas will furnish the world with large quantities of cheap petroleum products. Texas oil has now a huge market in the State in which it is produced, it is already a great industrial factor in other parts of the country, and it is not unreasonable to suppose that when the price falls it will be shipped regularly to this side of the Atlantic.

Oil Investors' Journal.

SECOND YEAR.

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BURTON E. NEWCOMB, Manager.

FROM A SUBSCRIBER.

Richmond, Va., Sept. 10, 1903.
Oil Investors' Journal,
Beaumont, Tex.

Dear Sirs:—Herewith find one dollar to renew my subscription. I wish to say that I am much pleased with the paper, as it has fulfilled all of its promises, giving news that is news, and calling an advertisement an advertisement. I look for your paper as eagerly as I do my morning Richmond paper. Yours truly,

PETER MARTIN, JR.

SUIT FOR AN INTEREST IN VALUABLE SOUR LAKE LAND.

A suit which affects nearly all of the companies and individuals operating in the Wirt Davis, Shoestring and Gilbert tracts on the north side of the Texas Company's property at Sour Lake is set for trial on its merits on September 28 at Kountze, the county seat of Hardin County, Texas, in which is located the Sour Lake oil field.

The original action was instituted on August 24 by the plaintiffs, W. J. Taylor et al, through their attorneys, Masterson, Morris & Masterson and H. N. Atkinson, and on September 10 they filed their amended original petition, claiming a one-fourth undivided interest in the Brown one thousand acres of the Stephen Jackson league of land. The appointment of a receiver was prayed for by the plaintiffs; also judgment for one-fourth of the land, for one-fourth of the oil produced before filing of the suit and one-fourth of the oil produced during pendency of the suit. At the first hearing of the case before Judge L. B. Hightower at Liberty, Texas, the application for appointment of a receiver was refused, but the court appointed an auditor whose duty it is to keep a record of the amount of oil produced and sold during pendency of the suit.

Basis of the Claim.

The plaintiffs allege that they are legal and equitable owners of a one-fourth undivided interest in the one thousand acres; that they were unlawfully deprived of the same by the defendants, who continue to withhold possession from plaintiffs; that the lands are exceedingly valuable in the production of mineral and petroleum oil, and that the plaintiffs are owners of one-fourth of all the oil taken from the property, but that the defendants have converted same to their own use, to the plaintiffs' great damage, in the market value of said oil.

Title to the one-fourth interest is claimed by the plaintiffs as heirs of Josiah Taylor, who died in August, 1868. William T. Austin was indebted to Josiah Taylor, and in July, 1868, he executed to Taylor, so it is alleged, a mortgage on a one-fourth interest in the Brown tract in the Jackson league. Taylor left a will appointing his wife, Carrie V. Taylor, Emzy Taylor and J. M. Brandon, his executors. In October, 1869, it is alleged that William T. Austin executed to J. M. Brandon, executor, an absolute deed to said one-fourth interest in the Brown one thousand acres, and it is through this title that the present claimants sue.

The plaintiffs in the suit are: W. J. Taylor, Harris county, Texas; Kate Jones and husband, T. F. Jones, Hardin county, Texas; E. E. Taylor, Williamson county, Texas; Wiley Jones, McLennan county, Texas; Mrs. M. C. Majors, McLennan county, Texas; Maggie Banton and husband, R. B. Banton, New York, N. Y.; Ethel Reynolds and husband, C. L. Reynolds, Bell county, Texas; Ruth Huse and Ethel Huse (minors), Hardin county, Texas, who sue by their next friend, Travis L. Jones; Mrs. C. A. Brandon and husband and J. M. Brandon, Tarrant county, Texas.

List of the Defendants.

The defendants are: G. P. Hall, W. C. Corbett, Theodore Berring, Ruby S. Kaufman, T. L. Hockney, John W. Parker, John H. Kirby, C. M. Votaw, D. R. Beatty, A. C. Allen, Thomas Chamberlain, Libbie Oil Co., C. D. Reeves, J. O. Reeder, E. C. Hamilton, Ward Templeton, Lewis Heilbron, G. Kitchen, A. E. Hopper, R. C. Bryant, James W. Swayne, R. A. Munson, A. D. Shearman, I. R. Bordages, Wirt Davis, J. K. Miller, Dallas-Sour Lake Oil Co., G. Denton, Ambrose Jackson, J. E. Crosbie, Moonshine Company, J. M. Guffey Petroleum Company, Preston B. Doty, John N. Gilbert, Mary L. Fuller, F. F. Smith, Amelia Smith, M. L. Henche, Carrie A. Henche, H. T. Staiti, F. D. Minor, Palestine-Beaumont Oil & Development Company, Heywood Oil Company, E. J. Marshall, Geo. M. Craig, James Hopkins, W. M. Carroll, T. E. Spencer, E. R. Pipkin, R. E. Brooks, P. S. Griffiths (individually and as trustee for George W. Word), T. W. Lane, C. F. Freeman, T. J. Oliver, E. G. Knight, J. T. Matthews, Mannie Matthews, Roberta Oil Company, W. R. Hill, C. H. Jones, Lucy Drake and husband, James H. Robertson, R. M. Thomson, R. C. Walker, H. G. King, J. J. Gannon, David Crockett Oil Company, R. L. Sloop, C. W. Ransom, T. J. Wood, C. D. Holmes, M. S. Holmes, Ann N. Holmes, Adele S. Holmes, C. D. Holmes, Jr., Frances J. Thackery, W. B. Thackery, H. E. Holmes.

The famous Gilbert No. 1 well, which has yielded its owners $150,000 and is still producing, is located on the property involved in the suit, as are a dozen other wells which have produced a great quantity of oil in the last three months. The defendant companies and individuals will make a determined fight.

CRUDE PRICES AS POSTED BY THE TEXAS COMPANY.

	Beaumont.	Sour Lake.
Sept. 12	38	23
Previous Prices.		
June 1	75	63
June 13	72	60
June 19	69	57
June 23	64	52
June 27	54	42
July 3	48	36
July 11	42	30
July 14	37	25
July 30	30	20
Aug. 1	30	15

W. L. MELLON COMING TO BEAUMONT.

W. L. Mellon, of Pittsburg, Pa., chief executive officer of the J. M. Guffey Petroleum Company, is expected to arrive in Beaumont about the 21st inst. Mr. Mellon has had wide experience in the oil business in eastern fields. The Guffey Company is now getting more than half of the total output of Spindletop, and is moving from 11,000 to 15,000 barrels a day from Sour Lake by pipe line. Its shipments of oil by water from Port Arthur are larger than those of any other one company, and its refinery at Port Arthur is the biggest plant of its kind in the Texas-Louisiana fields.

AN ENGLISH WRITER'S VIEW OF THE TEXAS OIL SITUATION.

At present popular anxiety as to the petroleum supply is, to some extent, due to disappointment concerning the Beaumont field in Texas.

This is Dr. Day's opinion; it is also ours. Fifteen months ago optimistic writers were predicting a petroleum deluge from Beaumont, and the expectation of enormous yields was heightened by the anxiety of speculative investors to market their oil at any price—a state of things frequently touched upon in these columns.

This resulted in oil being sold as low as 3 cents per barrel, and yet that oil has increased over a hundredfold in value in the course of twelve months, as the supply has gone to a lower ebb. Even Dr. Day, we remember, went into print to indulge in some pleasant anticipations of a long supply of oil in considerable abundance from the Beaumont region—an anticipation more optimistic than can be realized.

Nevertheless, the general probability then expressed remains true today, that other fields in Texas, Sour Lake, Saratoga and, the Gulf Coast, will undoubtedly yield many times as much oil as has been found at Spindletop, and, under conditions of conservative production, with more remunerative prices.

It is interesting to note that Texas petroleum has had no influence at any time on the general market price for crude oil over the world. Its effect was local.

The oil did not enter into competition with the general supply from Pennsylvania, West Virginia, and Ohio, from which States, the steady supply is obtained. The oil districts in Pennsylvania have proved longer lived than was anticipated. When, under conditions of large production, stocks of oil accumulated, many individual pools in Pennsylvania were considered exhausted, because the great supply was gone, and it cost as much as it came to for pumping the oil.

Following the decrease in supply the price advanced sufficiently to reopen these oil pools, and the economy of pumping several wells with one engine allowed them to come to life again with moderate profit. Meanwhile, the discovery of new pools has been frequent and satisfactory. In fact, the oil discoveries of Southwestern Pennsylvania and West Virginia, together with the Ohio supply, have more than offset the decline from abandoned pools.—J. D. Henry in Petroleum, London.

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BRIGHT & CO.,

BEAUMONT: Kyle Theatre Building.

SOUR LAKE: Sour Lake National Bank.

SARATOGA: Field Office.

The dismantling of pipe lines and the smaller tanks at Spindletop continues to be the most observable feature of activity. An experienced oil man, who has lived and worked on the fields since the days of the Lucas gusher, says that this must not be taken to indicate that the hill is to to be utterly abandoned. Such a statement is far from the truth.

In the early days there were numerous small companies, which owned one to five wells and which were dependent upon the large companies to take their product. The result was that Spindletop soon became a perfect network of pipe lines. When the wells stopped gushing and the price of oil fell, these small companies could no longer operate with profit and pay the tolls exacted by the large concerns. They were forced out of business, and when the Sour Lake boom came on, with the resultant demand for pipe lines and storages tanks, the smaller concerns sold out, and it is chiefly their properties which are being pulled down and carted away.

The truth of the situation is that the real grasp on Spindletop is rapidly falling into the hands of two or three of the larger companies. The Guffey company is now operating two-thirds of the wells on Spindletop. Last week it bought out six tanks of capacity of 32,500 barrels each from the Hogg-Swayne syndicate. All the wells belonging to Ennis & Walker, save one, were taken over by Guffey last week. What the Guffey company is not getting the Higgins Oil and Fuel company and the Star Petroleum company are absorbing and there is really no place or future at Spindletop now for the small operator.

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445 Orleans Street BEAUMONT, TEXAS.

C. K. MacFadden has been in Welsh recently, watching operations at the Netherlands Drilling Syndicate well, the first in that field to be sunk below the 1200-foot stratum. Mr. MacFadden was called to Chicago on the 12th inst., but will return immediately.

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There have been produced in the Beaumont field — Spindletop — something like 18,000,000 to 20,000,000 barrels of oil since the date of the Lucas gusher, January 10, 1901, and there is small doubt that Spindletop will be a producer for years to come. Had the field been in the hands of a few strong interests—oil men who knew the problems of storage, pipe lines and tank cars, and who would not have sunk well after well simply to form the basis for a stock-jobbing operation, taking no thought of the relations between supply and demand—the field would have lasted many years in a much larger way, the oil would have been produced only as there were facilities for handling it and opportunities for making sales, and on the whole the results would perhaps have been more generally advantageous and profitable to all concerned in the industry.—Albert Phenis in Manufacturers' Record.

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